## Message Text

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R 101410Z JUN 77 FM AMCONSUL MILAN TO AMEMBASSY ROME INFO SETAF AMCONSUL TRIESTE SECSTATE WASHDC 5434

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NOFORN

E.O. 11652: GDS

TAGS: EAGR, PGOV, PINR, PINT, IT SUBJECT: CABLE FROM VICENZA

REF MILAN A-011

SUMMARY: REPORTED CHANGES IN PCI AND TRADE UNION MOVEMENT ARE MOST INTERESTING NEWS FROM DC STRONGHOLD WHERE IT CONFIDENT AND MODERNIZING.

NO ENTHUSIASM FOR ABORTION REFERENDUM, HOWEVER, ALTHOUGH DC WOULD EXPECT TO DO BETTER LOCALLY THAN IN CASE OF DIVORCE. LONG TERM CHANGE OF PREVALENTLY AGRICULTURAL ECONOMY TO INDUSTRY AND SERVICES CONTINUES WITH IMPLIED REDUCTION DC BASE AS PREDOMINANT DAIRY INDUSTRY

INCREASINGLY NON-COMPETITIVE. ECONOMY IN EXCELLENT SHAPE DESPITE USUAL FOREDBODING ABOUT FUTURE.WHILE VIEWS DIFFER ON MOST OTHER MATTERS, OUR CONTACTS IN VICENZA WERE UNANIMOUS IN PRAISE FOR SETAF RELATIONS WITH COMMUNITY AND IN DESIRE FOR CONTINUED US MILITARY PRESENCE THERE. END SUMMARY.

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1. CONGEN JUNE 9 CALLED ON PREFECT, MAYOR, POLICE CHIEF, PRESIDENT OF PROVINCE, DC AND PSI SECRETARIES, FARM OWNERS UNION AND CISL TO DISCUSS LOCAL SITUATION. VICNEZA IS HOME BASE OF FORMER DC NATIONAL SECRETARY AND FOR MIN MARIANO RUMOR, WHITIST OF WHITE DC PROVINCES WITH SOME 62.7 PERCENT OF VOTE IN JUNE 76 (UP FROM

59.2 PERCENT IN 1975) AND WHERE PCI HELD TO ONLY 0.7 PERCENT POINT GAIN TO 14.7 PERCENT IN 1976 ELECTIONS. PALLADIAN'S HOME TOWN IS CAPITAL BUT NOT TO EXCLUSION IMPORTANCE SEVERAL OTHER CITIES WHICH KEEPS URBAN SCALE SMALLER AND MORE CONSERVATIVE. ECONOMY LARGELY DAIRY BASED WITHLONG TRADITION SMALL LAND OWNERS NOW DECLINING AS SHIFT TO LIGHT INDUSTRY CONTINUES PERMITTING FARMERS BOTH TO FARM PART TIME AND TO WORK IN INDUSTRY. HEADQUARTERS OF US SOURTHERN EUROPEAN TASK FORCE HAS BEEN PRESENT SINCE 1965 AND NOW COUNTS TOTAL OF 7000 SOLDIERS AND DEPENDENTS.

2. WITH VARYING DEGREES KNOWLEDGE AND CONCERN, DC MAYOR, DC PROVINCIAL VP, DC SECRETARY AND CISL SECRETARY SPOKE OF DEEP CHANGE TAKING PLACE INPCI AND TRADE UNIONS IN VICENZA. AS ALL ARE LOCAL BOYS, THEY SPOKE OF SCHOOL MATES AND NOW INTERLOCUTORS AT PARTY AND UNION LEVEL WHOM THEY DESCRIBED AS KNOWING LONG AND WELL. GIST OF THEIR VIEWS BOILS DOWN TO: A) LOCAL PCI HAS MOVED AWAY FROM STALINIST THINKING AND TO POSITIONS ON DEMOCRACY AND PLURALISM VERY CLOSE TO OTHER WESTERN PARTIES; B) THIS IS IRREVERSIBLE PRO-CESS WHICH CAN BE CHANGD ONLY AT GREAT COST TO PCI SINCE IT IS MASS ARTY BECOME SO BECAUSE OF APPEAL OF ITS PROFESSIONS OF DEMOCRACY AND MODERATION: C) BONAFIDES OF LOCAL PCI LEADERS NOT IN DOUBT; D) TIME HAS PASSED WHEN PCI IN NATIONAL GOVERNMENT COULD THORW OUT DEMOCRATIC RULES OF GAME AND REFUSE SURRENDER POWER; E) YOUGH COMMUNISTS ARE MORE OPEN TO GIVE AND TAKE; F) INVOLVEMENT OF PCI IN GOVERNMENT RESPONSIBILITY IS HAVING A DESIRE-ABLE EFFECT UPON INERNAL PARTY DEMOCRACY AND UPON MYTH OF PCI GENIUS FOR GOVERNING.

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- 3. DC PARTY DLEADERS WOULD PREFER RETURN TO MAJORITY/MINORITY RELATIONSHIP WITH PCI BUT SEE NO ROOM FOR THAT TODAY. IN FACT, DC SECREATRY SAID THAT REGION OF VENICE (OF WHICH VICENZA PART) WILL PROBABLY MOVE IN DIRECTION LOMBARDY'S OPEN GIUNTA (SEE MILAN'S 0992).
- 4. MIDDLE OF ROAD CISL SECRETARY, YOUNGISH TEXTILE WORKER ALSO FAVORABLE TO UNIFICATION ALL TRADE UNION FEDERATIONS. HE SAID EXPERIENCE DURING PAST SIX YEARS IN VICENZA LFT HIM UNWORRIED ABOUT MERGER. CGIL NOT AS INDEPENDENT OF PCI AS IS CISL OF DC, BUT TREND CONTINUES AND CREATING MORE SATISFACTORY SITUATION.
- 5. PSI OFFICIAL MUST LESS HAPPY WITH COMMUNISTS. THEY HAD SUFFERED SETBOACK IN JUNE 1976 ELECTION BUT STILL RAN AHEAD PSI NATIONAL AVERAGE. PROBLEM FOR THEM WAS THAT PCI WAS REPLACING PSI AS SOCIAL DEMOCRATIC PARTY. MOREOVER, IT WAS INTER-CLASS PARTY WITH MUCH GREATER APPEAL THAN PSI WHICH SAW ITSELF AS REPRESENTAIVE OF DIMINISHING WORKING CLASS. STILL, FACT THAT PCI WAS SO BROADLY BASED WAS DESIRABLE, IN THEIR VIEW, AS IT INCREASED GUARANTEE OF

PCI'S DEMOCRATIC ANCHORING. QUESTION AROSE FOR CONGEN'S INTERLOCUTORS WHETHER PSI HAD RAISON D'ETRE AND ANY HOPE OF SURVIAL. MAIN CLAIM THAT PSI COULD CONTINUE TO OFFER, THEY AGREED, WA ITS UNDISPUTED INTERNAL DEMOCRACY AND COMMITMENT TO WESTERN DEMOCRACY.

6. ABORTION ISSUE WAS LIVELY BECAUSE OF SURPRISE SETBACK GIVEN ABORTION LIBERALIZATION LAW IN SENATE EARLIER IN WEEK. WHILE DC LEADERS BELIEVED THAT OUTCOME OF REFERENDUM WOULD BE CLOSER THAN 1974 DC DEFEAT ON DIVORCE, ONLY ONE SHOWED ANY ENTHUSIASM FOR FACING BATTLE. SMALL FARM OWNERS LEADER WELCOMEND REFERENDUM WHICH HE SAW AS WINNER FOR DC. MAYOR, CISL, DC SECREATRY AND DC PROVINCIAL VP THOUGHT ABORTION REGIME HAD TO BE LIBERALIZED AND HAD NO DESIRE FOR NEW SHOWDOWN OF SIMPLE YES OR NO TO PRESENT RESTRICTIVE LAW.

7. SMALL FARM OWNERS ARE BACKBONE OF LOCAL DC ELECTION STRENGTH WHOSE CANDIDATES LED FIELD IN 1976. PROBLEM IS THAT COMPETITION CONFIDENTIAL.

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FROM EC DAIRY PRODUCERS IS DRIVING DOMINANT DAIRY SECTOR TO WALL. ORGANIZATION'S LEADER SAID THAT DAIRY SECTOR COULD NOT COMPETE AND UNLESS PROTECTED OR BY SOME MIRACLE FARMERS WOULD ACCEPT COOPERATIVES, FUTURE WAS BLACK. ONLY CHANGE TO WINE PRODUCTION OR SOME OTHER COMPETITIVE CROP COULD KEEP VICNEZA FARM SECTOR ALIVE IN LONG RUN. SEE MILAN'S A-011).

8. DESPITE DAIRY PROBLEMS THIS YEAR (LAST YEAR WAS GREAT)N VINCENZA ECONOMY FLOURISHING. SIGNS OF DOWNTURN HEAARD IN MILAN AND COMO HAVEN' T REACHED VICENZA ALTHOUGH TEXTILE PRODUCERS HAVING HARDER TIM E

THAN LAST YEAR. STILL, NET CONCLUSION WAS THAT VICENZA HAD FULLY RECOVERED FROM WHATEVER TROUBLE IT HAD HAD IN 1974-1975.

9. RELATIONS WITH SETAF DESCRIBED ON ALL SIDES AS EXEMPLARY AND MAJ GENERAL GEORGE PUTNAM PRAISED BY PREFECT, MAYOR AND POLICE CHIEF. EVEN ANTI-MILITARIST SOCIALISTS VOLUNTEERED THAT THEY HAD RELUCTANTLY TO ADMIT THAT SETAF WAS EXCELLENT NEIGHBOR.

10. COMMENT: I WAS STRUCK DURING DISCUSSIONS WITH IMPRESSIVE COMPETENCE OF VICENZA LEADERS. THERE WAS NOT A DUD AMONG THEM. ALMOST ALLIN THE 35-55 YEAR AGE GROUP, THEY ARE ALL (EXCEPT POLICE CHIEF) FROM VICENZA AREA AND REFRESHINGLY PLAIN SPOKEN. NEW PREFECT A MARKED IMPROVEMENT OVER HIS PREDECESSOR. DC LEADERS ESPECIALLY LOOKED GOOD, WERE CONFIDENT AND UPBEAT.PSI GROUP MORE DISHEVELED AND DISPIRITED. MOST SURPRISING FACET OF CONVERSATIONS, HOWEVER, WAS DC VIEW OF PCI SINCE VICENZA NOT KNOWN FOR ITS RADICALISM OR DERRING-DO.FINA

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	Margaret P. Grafeld	Declassified/Released	US Department of State	EO Systematic Review	22 May 2009
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